

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1590
(To be answered on the 13th February 2025)**

AIRCRAFT OBJECTS BILL, 2024

1590. DR. MALLU RAVI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

(a) whether the Government has introduced the Protection and Enforcement of Interests in Aircraft Objects Bill, 2024 to enhance the leasing framework in the aviation sector of the country and if so, the details thereof; and

(b) the key objectives of the said Bill and its expected impact on aircraft leasing costs and air travel affordability for the passengers?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a) The Government has introduced the Protection of Interests in Aircraft Objects Bill, 2025 in Parliament.

(b) The bill is intended to provide for protection of interests in aircraft objects and to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, each signed at Cape Town on 16 November 2001 and for matters connected therewith or incidental thereto. This Bill implements the Cape Town Treaty by statutorily recognising the insolvency remedies as acceded to by India to protect interests in aircraft objects. The intended legislation includes:

i. Provisions for Irrevocable De-registration and Export Request Authorization

ii. The obligations of debtors and creditors towards the Registry Authority (the Directorate General of Civil Aviation) for submission of dues and exercising remedies in cases of default

iii. overriding effect of the proposed Bill on inconsistent domestic laws and to protect the power of Central Government, and other entities under domestic law to arrest/detain an aircraft

iv. confer jurisdiction upon the High Court as acceded to by India under the Convention

v. provisions such as delegated power to Central Government to make rules, for removal of difficulties and to make, amend or withdraw declarations deposited under the Cape Town Treaty.

The expected impact of the proposed Bill includes:

i. Legal certainty with a primacy legislation which may reduce the risk premium, lowering interest rates and lease rentals for financing/leasing of aircraft by lessors/financiers leading to reduced leasing costs which is likely to be passed to end users i.e. passenger/shipper

ii. Better contract enforceability and repossession certainty would ease conducting business in India and also give impetus for growth of domestic leasing hubs such as in GIFT City.
